



The Real Estate TRENDS

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REGIONAL TRENDS

ALTHOUGH the number of real estate sales per 10,000 families continues to fall in every region, there is a wide difference in the levels of real estate activity. The Mountain States are leading in the rate of real estate activity with 99.8 deeds recorded per 10,000 families. This region includes such growing cities as Denver, Phoenix, and Tucson. The West Central Region is next with 89.3 transfers per 10,000 families, and the West Coast follows with 85.7 transfers per 10,000 families. The Southwest States show real estate activity to be about the same as the average for the nation, while the East Central, Southern, New England, and Middle Atlantic fall below the average in that order. The level of real estate activity is highest in growing areas and lowest in the more mature areas of the country.

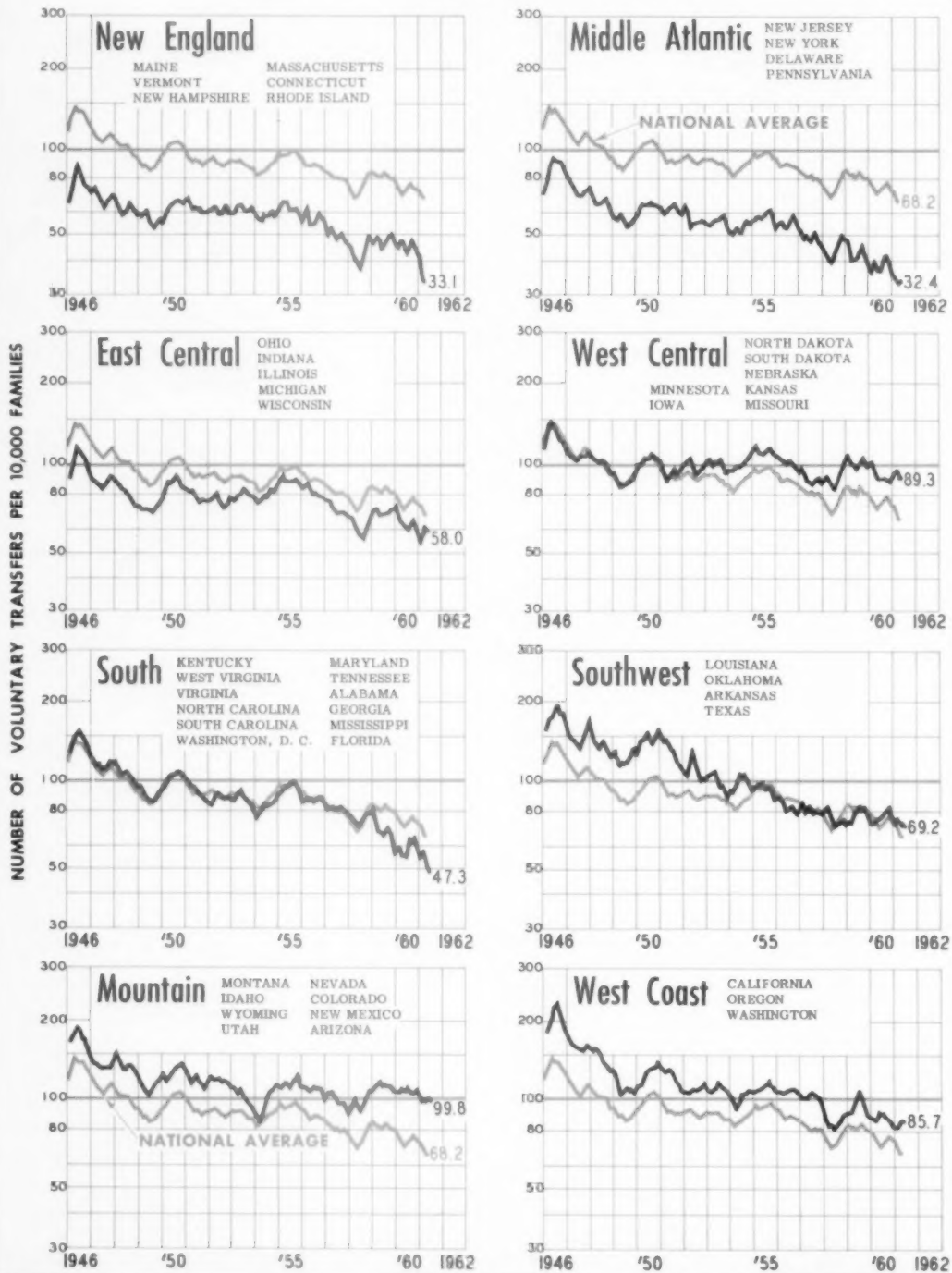
Mortgage activity tends to parallel real estate activity in most regions. The Southern States, however, are one exception. A careful look at the individual cities making up the average shows Miami to be the reason. The number of mortgages is much greater than the number of deeds recorded in that city, and this has caused the rate of mortgage activity to be higher than real estate activity in the Southern Region.

Although the West Coast showed a greater rate of residential construction than any other region last year, these States have not done as well as the Mountain States from 1951 through 1959. Interestingly enough, the Southwest States have a lower rate of residential construction than the Southern States in 1960, but this has certainly not been true of the whole postwar period. Another interesting fact comes to light with this regional charting of the rate of residential construction. For the nation and for all but two regions 1950 was the peak in the rate of residential building since 1940. The two exceptions are the New England and the Mountain regions. In New England 1955 was the big year and in the Mountain Region both 1954 and 1955 were the big years.

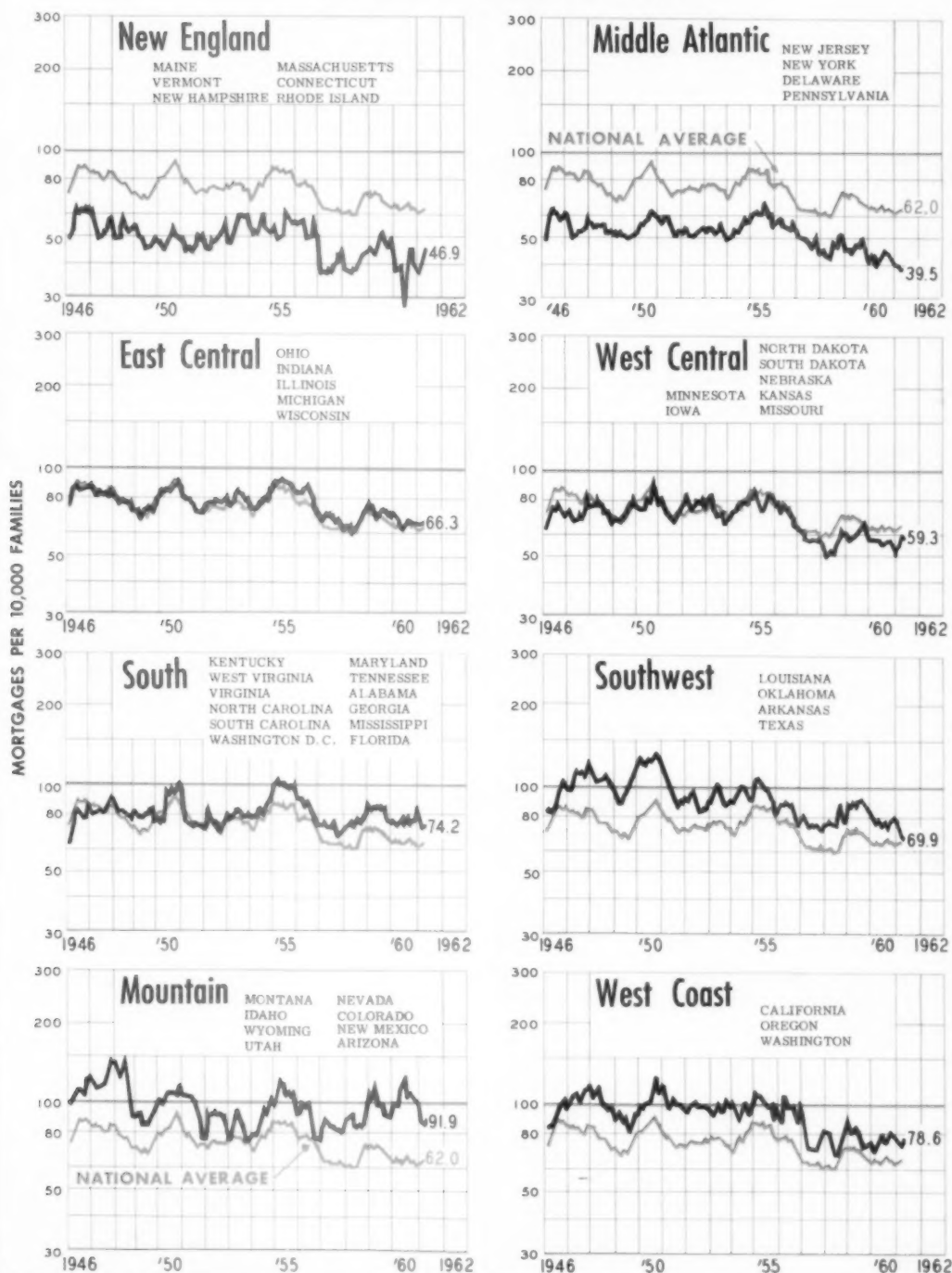
The highest rate of real estate and construction activity has taken place in the West (Mountain and Pacific States), and these States also have the highest vacancy rate in rental units, 11.0 percent. The very low rate of 4.6 percent vacant rental units available for rent in the Northeast is probably a result of rent control in New York State. Rent control does not allow rents to rise to levels making it profitable to provide new units. There also seems to be a

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REAL ESTATE ACTIVITY BY REGIONS



MORTGAGE ACTIVITY BY REGIONS



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significant difference between the percentage of rental units vacant and for rent inside metropolitan areas and outside these areas. Inside, the vacancy rate is only 7.2 percent, while it is 9.4 percent outside the metropolitan areas.

For the first time we have charted regional fluctuations in the dollar volume of nonresidential building permits. These charts on page 272 show the total dollar volume of nonresidential building permits for the nation and for each of four regions: the Northeast, North Central, South, and West. These correspond in the following way to our eight regions:

Northeast	New England, Middle Atlantic
North Central . .	East Central, West Central
South	South, Southwest
West	Mountain, Pacific

The North Central Region is currently and has been since 1954 (except in 1959) leading all other regions in the amount of nonresidential construction. This North Central Region is around the Great Lakes and includes the industrial heart of America. The breakdown in nonresidential construction on the right-hand side of the page shows the dollar volume of building permits for industrial buildings, office buildings, and stores and other mercantile buildings. These are the main kinds of nonresidential building. The boom in industrial building of 1956 (the year after the housing boom of 1955) was a result of increases in each region, but mostly a result of the increase in the industrial North Central Region. Since 1957, industrial construction has fallen in this region, but it is still at a higher level than in any other region. The West appears to be second in industrial construction.

The Northeastern Region includes the headquarters cities of Boston, New York, and Philadelphia. Here office building construction is very high. The South and West, however, are increasing their construction of office buildings so fast that they are overtaking the Northeast.

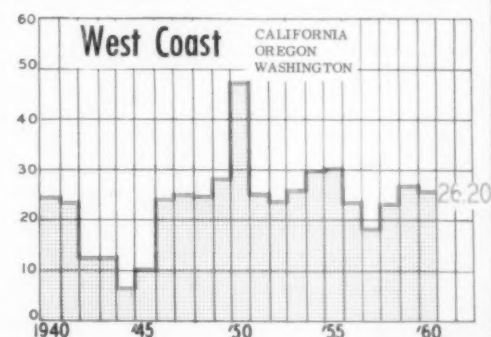
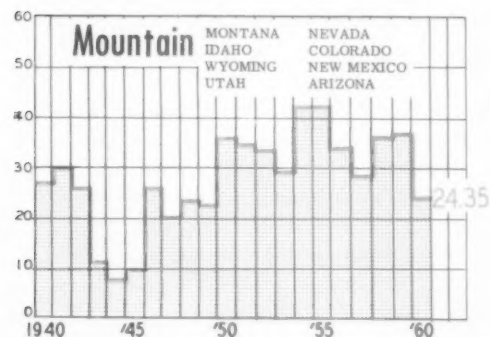
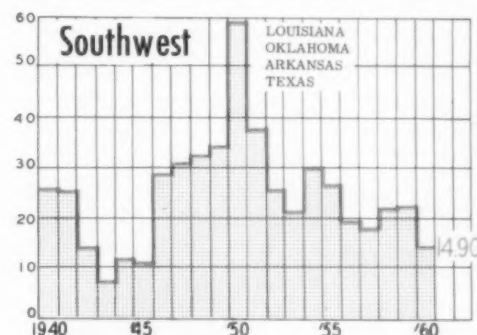
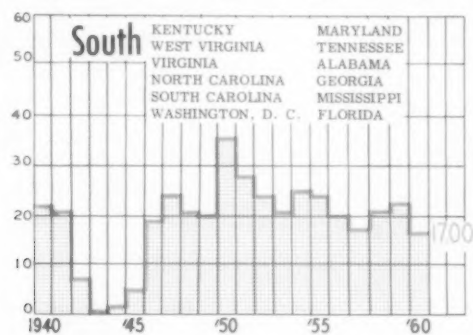
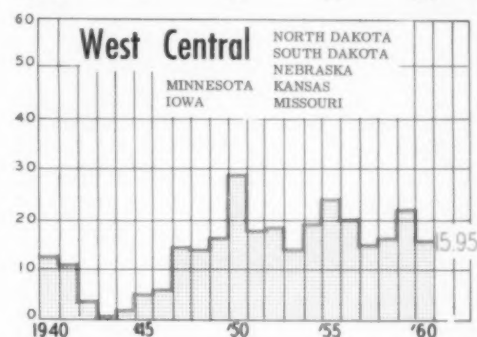
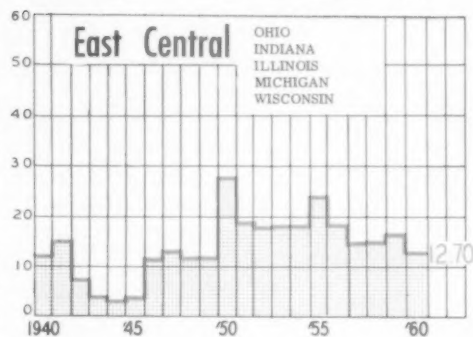
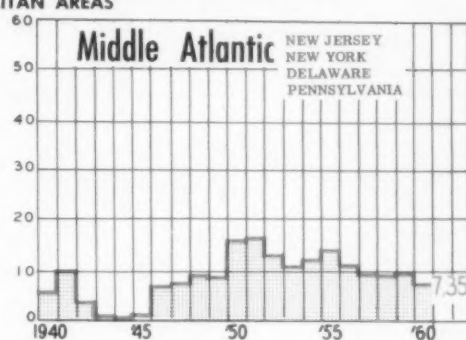
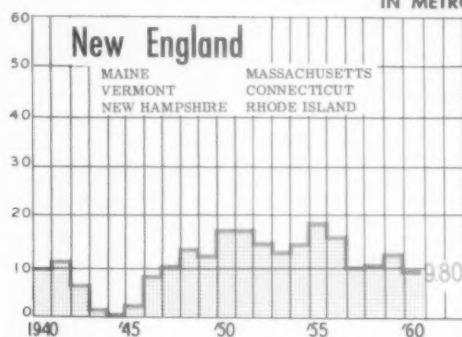
There seems to be little regional or cyclical influence on the construction of stores and other mercantile buildings, although in this case, too, the South and West are increasing more rapidly. The South, especially, has a higher level of store construction than any other region.

Recently we have published the percentage change in population between 1950 and 1960 in both metropolitan areas and in States and counties. The total increase or decrease, however, doesn't tell the full story of how the change came about. For example, population can increase because of an increase of births over deaths, because of a decrease of deaths over births, and finally because there has been a net migration of people to this location. We have
(cont. on page 271)

NEW FAMILY ACCOMMODATIONS BY REGIONS

IN METROPOLITAN AREAS

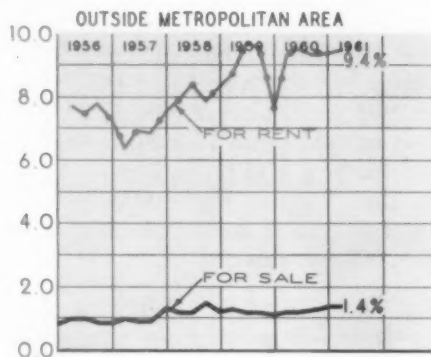
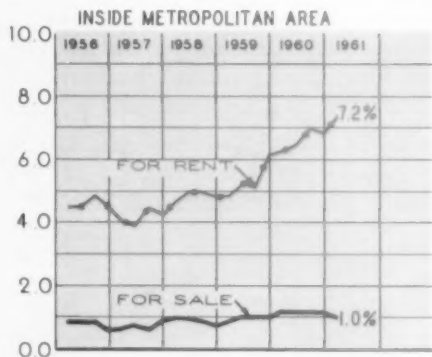
NUMBER BUILT PER MONTH PER 10,000 FAMILIES



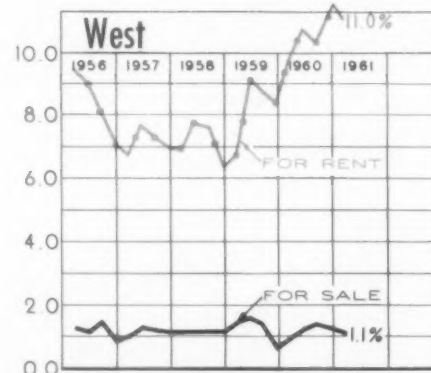
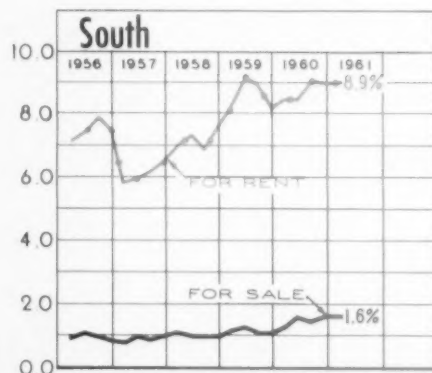
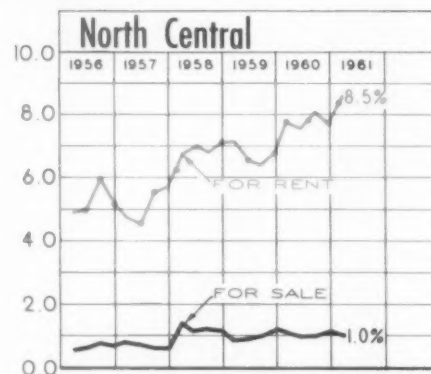
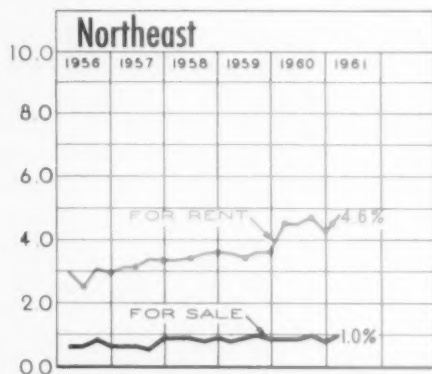
RENTAL AND HOMEOWNER VACANCY RATES IN PERCENTAGE

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Vacancy Rate



Vacancy Rate by Regions



(cont. from page 268)

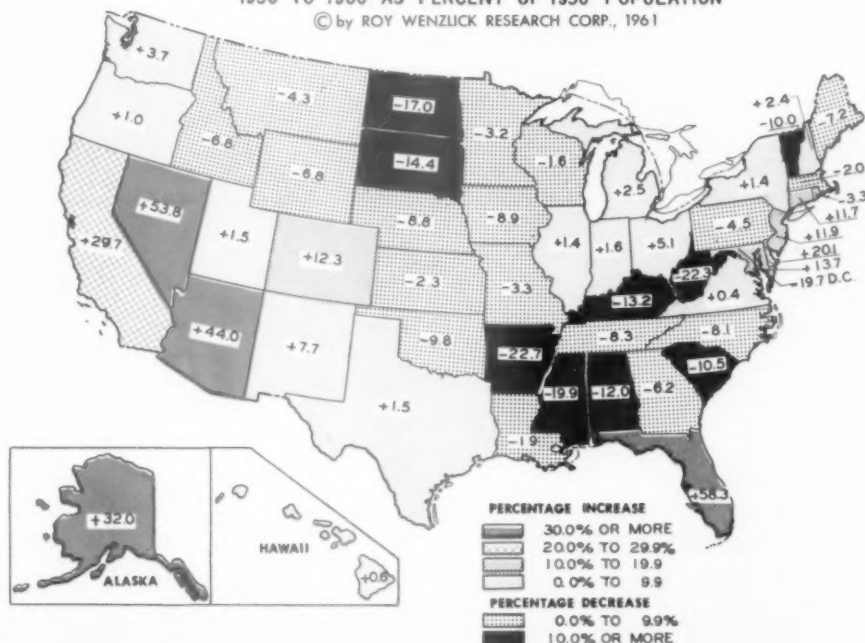
charted on the map below the net population migration to each State from 1950 to 1960 as a percent of the 1950 population. Since there has been little immigration into the United States from abroad during this period, these migration figures represent shifts in the distribution between States. The favorite States are Florida, Nevada, Arizona, and California. People are moving from the middle of the United States to the Pacific and Southwest areas of the United States, to the industrial center around the Great Lakes, to Florida, and to the States around New York City and Washington, D. C. Perhaps the most surprising fact emerging from this map is the large migration to Nevada. Large, that is, in terms of percentages of its small population. About 86,000 people migrated to Nevada between 1950 and 1960, while 3,145,000 migrated to California, and 1,617,000 migrated to Florida. Arizona absorbed 330,000. Between 1940 and 1950 only 2,658,000 people migrated to California, and 578,000 migrated to Florida. Arizona absorbed 137,000.

The greater migration of people to the West and Mountain States has already been reflected in the higher rates of real estate and construction activity in those areas. It has also been important in the volume of nonresidential construction. Industrial construction has centered in the Great Lakes region, also an area to which people are moving. All kinds of construction, residential and nonresidential, however, are going at a great rate in the Pacific and Mountain States, where more people are going than to any other region.

NET MIGRATION BY STATES

1950 TO 1960 AS PERCENT OF 1950 POPULATION

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VOLUME OF NEW NONRESIDENTIAL BUILDING PERMITS

— INDUSTRIAL BUILDINGS
— OFFICE BUILDINGS
— STORES & OTHER
— MERCANTILE BUILDINGS

